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GM India To Raise Prices



The Indian unit of General Motors Corp will raise its car prices by 1-2% from 9th January to cover rising costs, but does not expect the market to improve in the first half of 2009. The price rises were to cover input costs and the impact of the weakening of the rupee last year, P Balendran, vice-president at General Motors India, said.

GM India, a wholly-owned unit of General Motors, said last week it had missed its 2008 sales target of 75,000 units. Sales were 65,702, a rise of 9.5 per cent from 2007. The company has not set a target for 2009 because of the uncertain market conditions.

"Normally we fix targets in January, but this year we have not done so. Last year everyone said the market was likely to grow by at least 22 per cent. Then it was scaled down," he said. "We do not expect the market to improve at least for the first six months of 2009."

GM India, which has two manufacturing plants in India, plans three launches this year, starting later this month with a four-wheel drive, automatic transmission Chevrolet Captiva. Small cars account for most sales in India, and GM's sales are driven by Chevrolet Spark. It expects to launch another mini car during 2009.

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